IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO.1107 OF 2007
IN
COMPANY PETITION NO.457 OF 1997

M/s.L.Kanshiram .. Petitioner.
And
Shri M.V.Palaye .. Applicant.
Vs.
The Official Liquidator of
M/s.Firth India Steel
Co.Ltd. (In liqn.) .. Respondent.

Ms.Molina P.Thakur for the applicants.

CORAM : D.B.BHOSALE, J.
DATED : 19TH OCTOBER, 2007.

P.C.:

. Heard learned counsel for the applicants.

2. By the order dated 26th April, 2007 prayer clauses (d), (e) and (f) in the official liquidator's report dated 24.4.2007 in company petition No.457 of 1997 were granted. Prayer clause (d), (e) and (f) read thus:

> "(d) Whether in view of para (10) of this report this Hon'ble Court would permit the official liquidator to release an advertisement for Notice of declaration of dividend in pursuant to Rule 276 of Companies (Court) Rules, 1959 in "Nav Shakti" (In Marathi) and "Free Press Journal" (In English) both published from Mumbai and pay the cost of advertisement from the funds lying to the credit of the Company (In Liqn.)
>
> (e) Whether in view of para (11) of this

report, this Hon'ble Court would permit the official liquidator to open a separate dividend account with Punjab National Bank, PNB House, Fort, Mumbai for a sum of Rs.11,02,91,434/- under Rule 290 of Companies (Court) Rules, 1959 for making payment of dividend to the workmen, and dividend shall be payable for the six months from date of direction of this Hon'ble Court and thereafter the unpaid/unclaimed dividend if any be transferred to the Company (In Liqn.) account as required under section 555 Companies Act, 1956.

"f) Whether in view of para (12) of this report, this Hon'ble Court would permit the official liquidator to pay 100% dividend to workmen which comes to Rs.11,02,91,434/-".

3. The applicant in the present application are seeking extension of the period by further six months to complete the process of payment to workers i.e. till the end of April 2008. In support of this prayer, in paragraph 9 of the affidavit dated 16th October, 2007 the applicant has stated thus:

"9. I say that till date approximately 550 workers are paid. I say that approximately 100 workers have expired. I say that the official liquidator has filed the 1st list of workers of 666 workers, out of which approximately 600 workers are paid, from the first list, which is filed by the official liquidator. I say that some of legal heirs of the deceased workers are yet to file their affidavit and Indemnity Bond to claim the amount from the official liquidator. I say that some workers are also issued letters by the official liquidators, to forward certain documents. I say that the entire process of payment to workers, would further require a period of six months".

4. It appears that under section 555(1)(b) the liquidator is obliged to forthwith pay undistributed

monies into the public account in Reserve Bank of India in a separate account to be known as the Companies Liquidation account; in the event assets refundable to any contributory which have remained undistributed for six months after the date on which they become refundable. Ms.Molina Thakur, learned counsel for the applicant, therefore, submits that if this amount is paid by the official liquidator as provided in section 555 (1)(b) it would be difficult for the remaining workers and/or their heirs to claim their dues and the process would unnecessarily be delayed further. There is no dispute that this court has power to enlarge the time. The official liquidator has fairly stated that he has no objection for extension of time till the end of April 2008. In the circumstances this application is made absolute in terms of prayer clause (a). However, it is made clear that no further extension shall be granted. The company application is disposed of.

(D.B.BHOSALE, J.)